

Water and Sewer Operating Fund
For the period ended September 30, 2002
(amounts expressed in thousands)

	FY2002 Preliminary CAFR	Adopted Budget	Current Budget	FY2003 YTD	Controller's Projection	F&A Projection
Operating Revenues						
Water Sales	\$ 269,348	\$ 272,886	\$ 272,886	\$ 74,591	\$ 270,886	\$ 270,886
Sewer Sales	264,390	270,704	270,704	70,440	268,704	268,704
Penalties	4,214	3,741	3,741	1,171	3,741	3,741
Other	3,037	2,766	2,766	787	2,766	2,766
Total Operating Revenues	<u>540,989</u>	<u>550,097</u>	<u>550,097</u>	<u>146,989</u>	<u>546,097</u>	<u>546,097</u>
Operating Expenses						
Personnel	103,104	107,673	107,673	26,521	107,673	107,673
Supplies	23,114	22,792	22,792	4,979	22,792	22,792
Sale of Inventory (Intrafund)	(3,274)	0	0	0	0	0
Service Contracts & Utilities	118,667	125,143	125,143	15,922	125,143	125,143
Uncollectibles	0	1,000	1,000	0	1,000	1,000
Total Operating Expenses	<u>241,611</u>	<u>256,608</u>	<u>256,608</u>	<u>47,422</u>	<u>256,608</u>	<u>256,608</u>
Operating Income (Loss)	<u>299,378</u>	<u>293,489</u>	<u>293,489</u>	<u>99,567</u>	<u>289,489</u>	<u>289,489</u>
Nonoperating Revenues (Expenses)						
Interest Income	29,104	23,000	23,000	5,124	23,000	23,000
Sale of Property, Mains and Scrap	1,428	1,477	1,477	303	1,477	1,477
Other	5,132	7,898	7,898	431	7,898	7,898
CWA & TRA Contracts (P & I)	(31,278)	(32,189)	(32,189)	(12,000)	(32,189)	(32,189)
Total Nonoperating Rev (Exp)	<u>4,386</u>	<u>186</u>	<u>186</u>	<u>(6,142)</u>	<u>186</u>	<u>186</u>
Income (Loss) Before Operating Transfers	<u>303,764</u>	<u>293,675</u>	<u>293,675</u>	<u>93,425</u>	<u>289,675</u>	<u>289,675</u>
Operating Transfers						
Debt Service Principal	58,376	48,262	48,262	13,844	48,262	48,262
Debt Service Interest	144,115	179,595	179,595	42,900	179,595	179,595
Discretionary Debt	36,479	35,947	35,947	7,780	35,947	35,947
Equipment Acquisition	13,021	15,976	15,976	3,994	15,976	15,976
Renewal and Replacement*	0	2,433	2,433	0	2,433	2,433
Accumulated Unexpended (ALP)	14,600	0	0	0	0	0
Transfer for Street and Drainage	21,267	11,462	11,462	0	11,462	11,462
Total Operating Transfers	<u>287,858</u>	<u>293,675</u>	<u>293,675</u>	<u>68,518</u>	<u>293,675</u>	<u>293,675</u>
Net Current Activity						
Operating Fund Only	\$ <u>15,906</u>	\$ <u>0</u>	\$ <u>0</u>	\$ <u>24,907</u>	\$ <u>(4,000)</u>	\$ <u>(4,000)</u>

*Please refer to Page 31 for the current status of the Renewal and Replacement Fund No. 751.

About the Fund:

Public Utilities - Water and Sewer is an enterprise fund which accounts for operation of the City's water and wastewater facilities. The fund provides for the operation of the City's treated and untreated water, as well as, receive and process wastewater generated in a service area that includes the City, certain municipalities and unincorporated communities in the Houston metropolitan area. Some of the City's largest customers are other cities and water authorities which supply water to their own customers.